

Name _____ Date _____

ANSWERS TO SECTION 7.3 COMPUTER EXERCISES (cont.)

Exercise 1 (cont.)

Communicate It (text p. 237)

Write down the main points of your letter before you prepare it with a word-processing program.

Students should point out the time-saving benefit to Mr. McKell. Simply Accounting will save him many hours of work per week because posting is done as soon as journal entries are made, totals are calculated instantly, no mathematical errors occur and financial statements are ready to be printed at any time.

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (text p. 238)

Exercise 1, p. 238 Using Your Knowledge

Indicate whether each of the following statements is true or false by placing a "T" or an "F" in the space indicated. Explain the reason for each "F" response in the space provided.

- | | |
|--|----------------------------|
| A. The chief advantage of the balance-column account is that there is room for the account balance. | <input type="checkbox"/> T |
| B. Both sides of an account page (front and back) are used for the same item (for example, Bank). | <input type="checkbox"/> T |
| C. Entering the journal page number in the account is the sixth step in the posting process. | <input type="checkbox"/> F |
| D. The step described in question c above is performed in the journal. | <input type="checkbox"/> F |
| E. The process of setting up an account is known as "forwarding." | <input type="checkbox"/> F |
| F. The fourth step in the accounting cycle, as we know it, is the taking off of a trial balance. | <input type="checkbox"/> T |
| G. It is not possible for the ledger to be out of balance and also to be correct. | <input type="checkbox"/> T |
| H. If the trial balance difference is an even amount, the error could not be a transposition error. | <input type="checkbox"/> F |
| I. If the trial balance difference is zero, the ledger is correct. | <input type="checkbox"/> F |
| J. Posting a debit item incorrectly as a credit produces a trial balance credit total that is smaller than the debit total by twice the amount of the error. | <input type="checkbox"/> F |
| K. Very rarely does a transaction affect only one account. | <input type="checkbox"/> F |
| L. Ledger accounts are arranged alphabetically to make them easier to find. | <input type="checkbox"/> F |
| M. The presence of the account number in the journal indicates that the posting of an item has been completed. | <input type="checkbox"/> T |

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 1 (cont.)

Explanations for "F" Responses:

A. *Entering the journal page number in the account is the third step in the posting process.*

D. *The step described in question C is performed in the ledger.*

E. *Forwarding is to continue an account on a new page.*

H. *It is possible; e.g., $18 \div 9 = 2$.*

I. *The trial balance can be in balance with incorrect numbers.*

J. *It produces a credit total that is twice the amount of the error greater than the debit total.*

K. *There is never a transaction that affects only one account.*

L. *Ledger accounts are arranged according to the classifications assets, liabilities, and equity.*

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 2, p. 239

Error situations	Trial Balance will not balance		Trial Balance will balance but will not be correct
	Debits greater than credits by (\$\$)	Credits greater than debits by (\$\$)	
a. An entire journal entry is posted as \$400 instead of \$100.			✓
b. A debit of \$200 is posted twice.	\$200		
c. A debit of \$150 is posted as a credit.		\$300	
d. The Bank account is over-added by \$80.	\$80		
e. The Drawings account balance of \$5 500 is missed when preparing the trial balance.		\$5 500	
f. The Revenue account balance of \$72 000 is listed on the trial balance as a debit.	\$144 000		
g. An entire general journal entry for \$325 is not posted.			✓
h. An entire general journal entry for \$50 is posted in reverse.			✓
i. A \$40 debit is not posted.		\$40	
j. A \$500 credit is posted as \$50.	\$450		
k. A debit of \$60 to Bank was posted to a customer's account instead of to Bank.			✓
l. A \$40 debit is posted as \$400.	\$360		

Exercise 3, p. 240

Possible errors that would not cause the trial balance to be out of balance:

- an entire general journal entry is posted as a wrong amount;
- an entire general journal entry is not posted;
- an entire general journal entry is posted in reverse;
- an amount was posted to the wrong account but correct side.

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 4, p. 240

The credit balance of \$200 in a customer's account is possible. A simple explanation is that the customer sent a cheque for \$900 when it should have been \$700. The credit balance of \$5 000 in Furniture and Equipment is impossible except as an error. It is simply impossible to take more out of that asset account than was put in.

Exercise 5, p. 240

The advantage of this method is that you do not have to flip through the entire ledger to find an account. Also, you can keep the running total of the ledger account (i.e., if you are using a printing calculator).

Exercise 6, p. 240

A disadvantage to taking off a trial balance only once a year is that there has been an entire year for mistakes to accumulate. Finding errors after an entire year will be extremely difficult. Also, if there has been a mistake in a customer's account, you will have difficulty persuading the customer of that fact a year later.

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

GENERAL JOURNAL

PAGE 2

DATE		PARTICULARS	P.R.	DEBIT				CREDIT			
20— Sep.	9	Bank	101	5	0	0	—				
		Loss on Sale of Equipment	535	7	0	0	—				
		Equipment	125					1	2	0	0 —
		Sold piece of equipment at a loss									
	10	A/R — Spectrum Co.	115	9	2	0	—				
		Service Revenue	401					8	0	0	—
		GST Payable	220						5	6	—
		PST Payable	230						6	4	—
		Service rendered on account									
	11	Pat Schelling, Drawings	302	5	0	0	—				
		Bank	101					5	0	0	—
		For personal use									
	12	A/P — Home Hardware	213	2	5	1	45				
		Bank	101					2	5	1	45
		Payment on account									
	15	Automobile Expense	505	3	4	2	—				
		GST Recoverable	225	2	3	94					
		A/P — Imperial Garage	211					3	6	5	94
		Gasoline and oil									
	16	Supplies	120	1	6	5	—				
		GST Recoverable	225	1	1	55					
		Bank	101					1	7	6	55
		Bought supplies for cash									

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

GENERAL JOURNAL

PAGE 3

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				
20— Sep.	18	Bank	101	4	0	2	5	—					
		A/R — W.J. Thomson	117						4	0	2	5	—
		Payment on account											
	18	General Expense	515		3	2	—						
		Automobile Expense	505	1	1	8	—						
		GST Recoverable	225		1	0	50						
		Bank	101						1	6	0	50	
		Owner's out-of-pocket expenses											
	19	Bank Charges Expense	510	2	5	0	—						
		Bank	101						2	5	0	—	
		Interest and bank service charges											
	19	Wages Expense	530	5	7	5	—						
		Bank	101						5	7	5	—	
		Wages											
	19	A/R — K. Puna	113	6	9	0	—						
		Service Revenue	401						6	0	0	—	
		GST Payable	220						4	2	—		
		PST Payable	230						4	8	—		
		Service rendered on account											
	22	Bank Loan	201	2	0	0	0	—					
		Bank	101						2	0	0	0	—
		Loan reduction											
	24	Telephone Expense	525		5	8	—						
		GST Recoverable	225		4	06							
		Bank	101						6	2	06		
		Telephone bill											

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

GENERAL JOURNAL

PAGE 4

DATE		PARTICULARS	P.R.	DEBIT					CREDIT				
20— Sep.	25	Bank	101	1	0	0	0	—					
		A/R — L. Pero	111						1	0	0	0	—
		Payment received on account											
	26	A/R — W.J. Thomson	117	4	6	0	—						
		Service Revenue	401						4	0	0	—	
		GST Payable	220							2	8	—	
		PST Payable	230							3	2	—	
		Service rendered on account											
	26	Pat Schelling, Drawings	302	4	5	0	—						
		Bank	101						4	5	0	—	
		For personal use											
	29	Supplies	120	1	9	0	—						
		GST Recoverable	225	1	3	30							
		Pat Schelling, Drawings	302						2	0	3	30	
		Out-of-pocket expenditure											
	30	Wages Expense	530	5	7	0	—						
		Bank	101						5	7	0	—	
		Wages											
	30	A/P — Imperial Garage	211	3	6	5	94						
		Bank	101						3	6	5	94	
		Payment on account											
	30	Automobile Expense	505	3	1	2	—						
		GST Recoverable	225	2	1	84							
		A/P — Imperial Garage	211						3	3	3	84	
		Gasoline and oil											

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

GENERAL LEDGER

ACCOUNT Bank

No. 101

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug. 31	Opening entry	J1	2 0 0 0 -		DR	2 0 0 0 -
Sep. 1		J1		9 6 3 -	DR	1 0 3 7 -
9		J2	5 0 0 -		DR	1 5 3 7 -
10		J2		5 0 0 -	DR	1 0 3 7 -
12		J2		2 5 1 45	DR	7 8 5 55
16		J2		1 7 6 55	DR	6 0 9 -
18		J3	4 0 2 5 -		DR	4 6 3 4 -
18		J3		1 6 0 50	DR	4 4 7 3 50
19		J3		2 5 0 -	DR	4 2 2 3 50
19		J3		5 7 5 -	DR	3 6 4 8 50
22		J3		2 0 0 0 -	DR	1 6 4 8 50
24		J3		6 2 06	DR	1 5 8 6 44
25		J4	1 0 0 0 -		DR	2 5 8 6 44
26		J4		4 5 0 -	DR	2 1 3 6 44
30		J4		5 7 0 -	DR	1 5 6 6 44
30		J4		3 6 5 94	DR	1 2 0 0 50

ACCOUNT A/R — L. Pero

No. 111

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 5		J1	2 3 0 0 -		DR	2 3 0 0 -
25		J4		1 0 0 0 -	DR	1 3 0 0 -

ACCOUNT A/R — K. Puna

No. 113

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 19		J3	6 9 0 -		DR	6 9 0 -

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

ACCOUNT A/R — Spectrum Co.

No. 115

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	10	J2	9 2 0 -		DR	9 2 0 -

ACCOUNT A/R — W.J. Thomson

No. 117

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	5	J1	4 0 2 5 -		DR	4 0 2 5 -
	18	J3		4 0 2 5 -	-	0
	26	J4	4 6 0 -		DR	4 6 0 -

ACCOUNT Supplies

No. 120

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug.	31 Opening entry	J1	1 4 5 0 -		DR	1 4 5 0 -
Sep.	3	J1	2 3 5 -		DR	1 6 8 5 -
	16	J2	1 6 5 -		DR	1 8 5 0 -
	29	J4	1 9 0 -		DR	2 0 4 0 -

ACCOUNT Equipment

No. 125

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug.	31 Opening entry	J1	14 7 3 2 -		DR	14 7 3 2 -
Sep.	9	J2		1 2 0 0 -	DR	13 5 3 2 -

ACCOUNT Automobiles

No. 130

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug.	31 Opening entry	J1	28 9 5 7 -		DR	28 9 5 7 -

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

ACCOUNT *Bank Loan*

No. 201

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug. 31	Opening entry	J1		20 0 0 0 -	CR	20 0 0 0 -
Sep. 22		J3	2 0 0 0 -		CR	18 0 0 0 -

ACCOUNT *A/P — Imperial Garage*

No. 211

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 15		J2		3 6 5 94	CR	3 6 5 94
30		J4	3 6 5 94		-	0
30		J4		3 3 3 84	CR	3 3 3 84

ACCOUNT *A/P — Home Hardware*

No. 213

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 3		J1		2 5 1 45	CR	2 5 1 45
12		J2	2 5 1 45		-	0

ACCOUNT *GST Payable*

No. 220

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 5		J1		2 4 5 -	CR	2 4 5 -
5		J1		1 4 0 -	CR	3 8 5 -
10		J2		5 6 -	CR	4 4 1 -
19		J3		4 2 -	CR	4 8 3 -
26		J4		2 8 -	CR	5 1 1 -

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

ACCOUNT GST Recoverable

No. 225

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	1	J1	6 3 -		DR	6 3 -
	3	J1	1 6 45		DR	7 9 45
	15	J2	2 3 94		DR	1 0 3 39
	16	J2	1 1 55		DR	1 1 4 94
	18	J3	1 0 50		DR	1 2 5 44
	24	J3	4 06		DR	1 2 9 50
	29	J4	1 3 30		DR	1 4 2 80
	30	J4	2 1 84		DR	1 6 4 64

ACCOUNT PST Payable

No. 230

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	5	J1		2 8 0 -	CR	2 8 0 -
	5	J1		1 6 0 -	CR	4 4 0 -
	10	J2		6 4 -	CR	5 0 4 -
	19	J3		4 8 -	CR	5 5 2 -
	26	J4		3 2 -	CR	5 8 4 -

ACCOUNT Pat Schelling, Capital

No. 301

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Aug.	31 Opening entry	J1		27 1 3 9 -	CR	27 1 3 9 -

ACCOUNT Pat Schelling, Drawings

No. 302

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	11	J2	5 0 0 -		DR	5 0 0 -
	26	J4	4 5 0 -		DR	9 5 0 -
	29	J4		2 0 3 30	DR	7 4 6 70

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

ACCOUNT Service Revenue

No. 401

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 5		J1		3 5 0 0 -	CR	3 5 0 0 -
5		J1		2 0 0 0 -	CR	5 5 0 0 -
10		J2		8 0 0 -	CR	6 3 0 0 -
19		J3		6 0 0 -	CR	6 9 0 0 -
26		J4		4 0 0 -	CR	7 3 0 0 -

ACCOUNT Automobile Expense

No. 505

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 15		J2	3 4 2 -		DR	3 4 2 -
18		J3	1 1 8 -		DR	4 6 0 -
30		J4	3 1 2 -		DR	7 7 2 -

ACCOUNT Bank Charges Expense

No. 510

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 19		J3	2 5 0 -		DR	2 5 0 -

ACCOUNT General Expense

No. 515

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 18		J3	3 2 -		DR	3 2 -

ACCOUNT Rent Expense

No. 520

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 1		J1	9 0 0 -		DR	9 0 0 -

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 7 (cont.)

ACCOUNT Telephone Expense

No. 525

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				DR/CR	BALANCE			
20— Sep.	24		J3		5	8	—					DR		5	8	—

ACCOUNT Wages Expense

No. 530

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				DR/CR	BALANCE			
20— Sep.	19		J3		5	7	5 —					DR		5	7	5 —
	30		J4		5	7	0 —					DR	1	1	4	5 —

ACCOUNT Loss on Sale of Equipment

No. 535

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				DR/CR	BALANCE			
20— Sep.	19		J2		7	0	0 —					DR		7	0	0 —



Exercise 7 (cont.)

Royal City Engineering

Balance Sheet

September 30, 20—

[illegible]

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8, p. 243

A.

GENERAL JOURNAL

PAGE 28

DATE	PARTICULARS	P.R.	DEBIT	CREDIT
20— Oct.	2			
	Miscellaneous Expense	520	1 5 5 —	
	GST Recoverable	225	1 0 85	
	Bank	100		1 6 5 85
	Cheque #652			
	4			
	Supplies — Golf Course	105	9 5 0 20	
	GST Recoverable	225	6 6 51	
	A/P — Main Supply	210		1 0 1 6 71
	Purchase fertilizer			
	5			
	Bank Charges Expense	505	1 2 5 0 —	
	Bank	100		1 2 5 0 —
	Interest and service charges			
	7			
	Wages Expense	535	6 5 0 —	
	Bank	100		6 5 0 —
	Cheque #653			
	8			
	Bank	100	2 7 4 4 05	
	Revenue — Golf	401		2 0 0 5 —
	Revenue — Food	405		4 9 0 —
	GST Payable	220		1 7 4 65
	PST Payable	230		7 4 40
	Receipts for week			
	9			
	A/P — Main Supply	210	1 8 9 0 65	
	Bank	100		1 8 9 0 65
	Cheque #654 on account			
	10			
	Automotive Expense	500	2 2 0 —	
	GST Recoverable	225	1 5 40	
	A/P — Blair's Automotive	205		2 3 5 40
	Truck repairs			



Exercise 8 (cont.)

PAGE 29

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

GENERAL JOURNAL

PAGE 30

DATE	PARTICULARS	P.R.	DEBIT	CREDIT
20— Oct. 18	Automotive Expense	500	4 2 25	
	GST Recoverable	225	2 96	
	Bank	100		4 5 21
	Cheque #658			
20	Mortgage Interest Expense	525	7 5 0 -	
	Mortgage Payable	240	1 0 0 0 -	
	Bank	100		1 7 5 0 -
	Cheque #659			
21	Wages Expense	535	6 8 0 -	
	Bank	100		6 8 0 -
	Cheque #660			
22	Bank	100	2 9 6 5 -	
	Revenue — Golf	401		2 2 0 0 -
	Revenue — Food	405		5 0 0 -
	GST Payable	220		1 8 9 -
	PST Payable	230		7 6 -
	Cash receipts for week			
23	A/P — Pro Equipment	215	2 0 0 0 -	
	Bank	100		2 0 0 0 -
	Cheque #661 on account			
24	Supplies — Office	110	9 5 -	
	GST Recoverable	225	6 65	
	A/P — Main Supply	210		1 0 1 65
	Office supplies			
25	Automotive Expense	500	2 9 0 -	
	GST Recoverable	225	2 0 30	
	A/P — Blair's Automotive	205		3 1 0 30
	Auto repairs			

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

GENERAL JOURNAL

PAGE 31

DATE	PARTICULARS	P.R.	DEBIT	CREDIT
20— Oct. 26	Miscellaneous Expense	520	8 5 —	
	GST Recoverable	225	5 95	
	Bank	100		9 0 95
	Cheque #662			
28	Wages Expense	535	6 2 0 —	
	Bank	100		6 2 0 —
	Cheque #663			
29	Bank	100	2 8 4 8 50	
	Revenue — Golf	401		2 0 1 0 —
	Revenue — Food	405		5 8 0 —
	GST Payable	220		1 8 1 30
	PST Payable	230		7 7 20
	Cash receipts for week			
30	Utilities Expense	510	1 6 5 —	
	GST Recoverable	225	1 1 55	
	Bank	100		1 7 6 55
	Cheque #664			
31	Telephone Expense	530	7 5 —	
	GST Recoverable	225	5 25	
	Bank	100		8 0 25
	Cheque #665			
31	Shirley Ng-A-Kien, Drawings	305	1 5 0 0 —	
	Bank	100		1 5 0 0 —
	Cheque #666			
31	GST Payable	220	7 1 0 —	
	GST Recoverable	225		1 8 5 —
	Bank	100		5 2 5 —
	Cheque #667			

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

GENERAL LEDGER

ACCOUNT *Bank*

No. 100

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	3 7 5 0 20
Oct. 2		J28		1 6 5 85	DR	3 5 8 4 35
5		J28		1 2 5 0 —	DR	2 3 3 4 35
7		J28		6 5 0 —	DR	1 6 8 4 35
8		J28	2 7 4 4 05		DR	4 4 2 8 40
9		J28		1 8 9 0 65	DR	2 5 3 7 75
13		J29		1 5 0 0 —	DR	1 0 3 7 75
14		J29		7 0 0 —	DR	3 3 7 75
15		J29	2 6 4 8 50		DR	2 9 8 6 25
15		J29		2 5 0 50	DR	2 7 3 5 75
18		J30		4 5 21	DR	2 6 9 0 54
20		J30		1 7 5 0 —	DR	9 4 0 54
21		J30		6 8 0 —	DR	2 6 0 54
22		J30	2 9 6 5 —		DR	3 2 2 5 54
23		J30		2 0 0 0 —	DR	1 2 2 5 54
26		J31		9 0 95	DR	1 1 3 4 59
28		J31		6 2 0 —	DR	5 1 4 59
29		J31	2 8 4 8 50		DR	3 3 6 3 09
30		J31		1 7 6 55	DR	3 1 8 6 54
31		J31		8 0 25	DR	3 1 0 6 29
31		J31		1 5 0 0 —	DR	1 6 0 6 29
31		J31		5 2 5 —	DR	1 0 8 1 29

ACCOUNT *Supplies — Golf Course*

No. 105

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	10 2 3 6 —
Oct. 4		J28	9 5 0 20		DR	11 1 8 6 20
11		J29	1 7 6 40		DR	11 3 6 2 60

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT *Supplies — Office*

No. 110

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	3 2 6 5 25
Oct. 24		130	9 5 —		DR	3 3 6 0 25

ACCOUNT *Property*

No. 115

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	95 0 0 0 —

ACCOUNT *Buildings*

No. 120

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	85 3 6 0 —

ACCOUNT *Automotive Equipment*

No. 125

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	40 9 5 6 —

ACCOUNT *Maintenance Equipment*

No. 130

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	22 6 5 0 60

ACCOUNT *Bank Loan*

No. 201

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			CR	120 0 0 0 —

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT A/P — Blair's Automotive

No. 205

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Oct. 10		J28		2 3 5 40	CR	2 3 5 40
25		J30		3 1 0 30	CR	5 4 5 70

ACCOUNT A/P — Main Supply

No. 210

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			CR	1 8 9 0 65
Oct. 4		J28		1 0 1 6 71	CR	2 9 0 7 36
9		J28	1 8 9 0 65		CR	1 0 1 6 71
24		J30		1 0 1 65	CR	1 1 1 8 36

ACCOUNT A/P — Pro Equipment

No. 215

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			CR	3 5 8 2 10
Oct. 11		J29		1 8 8 75	CR	3 7 7 0 85
17		J29		4 2 8 —	CR	4 1 9 8 85
23		J30	2 0 0 0 —		CR	2 1 9 8 85

ACCOUNT GST Payable

No. 220

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			CR	7 1 0 —
Oct. 8		J28		1 7 4 65	CR	8 8 4 65
15		J29		1 6 7 30	CR	1 0 5 1 95
22		J30		1 8 9 —	CR	1 2 4 0 95
29		J31		1 8 1 30	CR	1 4 2 2 25
31		J31	7 1 0 —		CR	7 1 2 25

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT GST Recoverable

No. 225

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			DR	1 8 5 —
Oct.	2	J28	1 0 85		DR	1 9 5 85
	4	J28	6 6 51		DR	2 6 2 36
	10	J28	1 5 40		DR	2 7 7 76
	11	J29	1 2 35		DR	2 9 0 11
	17	J29	2 8 —		DR	3 1 8 11
	18	J30	2 96		DR	3 2 1 07
	24	J30	6 65		DR	3 2 7 72
	25	J30	2 0 30		DR	3 4 8 02
	26	J31	5 95		DR	3 5 3 97
	30	J31	1 1 55		DR	3 6 5 52
	31	J31	5 25		DR	3 7 0 77
	31	J31		1 8 5 —	DR	1 8 5 77

ACCOUNT PST Payable

No. 230

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			CR	2 5 0 50
Oct.	8	J28		7 4 40	CR	3 2 4 90
	15	J29		9 1 20	CR	4 1 6 10
	15	J29	2 5 0 50		CR	1 6 5 60
	22	J30		7 6 —	CR	2 4 1 60
	29	J31		7 7 20	CR	3 1 8 80

ACCOUNT Mortgage Payable

No. 240

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			CR	100 0 0 0 —
Oct.	20	J30	1 0 0 0 —		CR	99 0 0 0 —

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT Shirley Ng-A-Kien, Capital

No. 301

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			CR	37 0 2 7 46

ACCOUNT Shirley Ng-A-Kien, Drawings

No. 305

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			DR	18 0 0 0 —
Oct.	13	J29	1 5 0 0 —		DR	19 5 0 0 —
	31	J31	1 5 0 0 —		DR	21 0 0 0 —

ACCOUNT Revenue — Golf

No. 401

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			CR	52 6 5 5 —
Oct.	8	J28		2 0 0 5 —	CR	54 6 6 0 —
	15	J29		1 9 2 0 —	CR	56 5 8 0 —
	22	J30		2 2 0 0 —	CR	58 7 8 0 —
	29	J31		2 0 1 0 —	CR	60 7 9 0 —

ACCOUNT Revenue — Food

No. 405

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			CR	9 2 5 0 50
Oct.	8	J28		4 9 0 —	CR	9 7 4 0 50
	15	J29		4 7 0 —	CR	10 2 1 0 50
	22	J30		5 0 0 —	CR	10 7 1 0 50
	29	J31		5 8 0 —	CR	11 2 9 0 50

ACCOUNT Automotive Expense

No. 500

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep.	30 Forwarded	—			DR	5 9 6 3 01
Oct.	10	J28	2 2 0 —		DR	6 1 8 3 01
	18	J30	4 2 25		DR	6 2 2 5 26
	25	J30	2 9 0 —		DR	6 5 1 5 26

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT Bank Charges Expense

No. 505

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	6 8 4 2 25
Oct. 5		J28	1 2 5 0 —		DR	8 0 9 2 25

ACCOUNT Utilities Expense

No. 510

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	2 8 5 0 45
Oct. 30		J31	1 6 5 —		DR	3 0 1 5 45

ACCOUNT Maintenance Expense

No. 515

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	7 2 3 0 85
Oct. 17		J29	4 0 0 —		DR	7 6 3 0 85

ACCOUNT Miscellaneous Expense

No. 520

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	1 5 2 5 75
Oct. 2		J28	1 5 5 —		DR	1 6 8 0 75
26		J31	8 5 —		DR	1 7 6 5 75

ACCOUNT Mortgage Interest Expense

No. 525

DATE	PARTICULARS	P.R.	DEBIT	CREDIT	DR/CR	BALANCE
20— Sep. 30	Forwarded	—			DR	4 5 0 0 —
Oct. 20		J30	7 5 0 —		DR	5 2 5 0 —

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

ACCOUNT Telephone Expense

No. 530

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				DR/CR	BALANCE				
20— Sep.	30	Forwarded	—									DR	6	8	5	55	
Oct.	31		J31		7	5	—					DR	7	6	0	55	

ACCOUNT Wages Expense

No. 535

DATE		PARTICULARS	P.R.	DEBIT				CREDIT				DR/CR	BALANCE				
20— Sep.	30	Forwarded	—									DR	16	3	6	5	30
Oct.	7		J28		6	5	0 —					DR	17	0	1	5	30
	14		J29		7	0	0 —					DR	17	7	1	5	30
	21		J30		6	8	0 —					DR	18	3	9	5	30
	28		J31		6	2	0 —					DR	19	0	1	5	30

Name _____ Date _____

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

Exercise 8 (cont.)

B.

Harbour Golf Links

Trial Balance

October 31, 20-

ACCOUNTS	DEBIT	CREDIT
Bank	1 0 8 1 29	
Supplies — Golf Course	11 3 6 2 60	
Supplies — Office	3 3 6 0 25	
Property	95 0 0 0 -	
Buildings	85 3 6 0 -	
Automotive Equipment	40 9 5 6 -	
Maintenance Equipment	22 6 5 0 60	
Bank Loan		120 0 0 0 -
A/P — Blair's Automotive		5 4 5 70
A/P — Main Supply		1 1 1 8 36
A/P — Pro Equipment		2 1 9 8 85
GST Payable		7 1 2 25
GST Recoverable	1 8 5 77	
PST Payable		3 1 8 80
Mortgage Payable		99 0 0 0 -
Shirley Ng-A-Kien, Capital		37 0 2 7 46
Shirley Ng-A-Kien, Drawings	21 0 0 0 -	
Revenue — Golf		60 7 9 0 -
Revenue — Food		11 2 9 0 50
Automotive Expense	6 5 1 5 26	
Bank Charges Expense	8 0 9 2 25	
Utilities Expense	3 0 1 5 45	
Maintenance Expense	7 6 3 0 85	
Miscellaneous Expense	1 7 6 5 75	
Mortgage Interest Expense	5 2 5 0 -	
Telephone Expense	7 6 0 55	
Wages Expense	19 0 1 5 30	
	333 0 0 1 92	333 0 0 1 92

ANSWERS TO CHAPTER 7 REVIEW EXERCISES (cont.)

D.

Balance Sheet

October 31, 20—

174 Accounting I Teacher's Key